

A quick guide to the US-China trade war

BBC News, 25 October 2018



Getty Images The US is the biggest export market for Chinese goods

The world's two largest economies - the US and China - are locked in an escalating trade battle.

US President Donald Trump had been complaining about China's trading practices even before he took office in 2016.

That year he said China engaged in the "rape" of the US economy, and since then he has aggressively targeted Beijing as part of his broader America First agenda.

In 2017, the [US launched an investigation into Chinese trade policies](#) and has steadily imposed tariffs on Chinese products from this year.

What tariffs are in place?

So far, the US has imposed three rounds of tariffs on Chinese goods, totalling more than \$250bn (£191.9bn). They cover a wide range of consumer and industrial items including handbags, rice and [railway equipment](#).

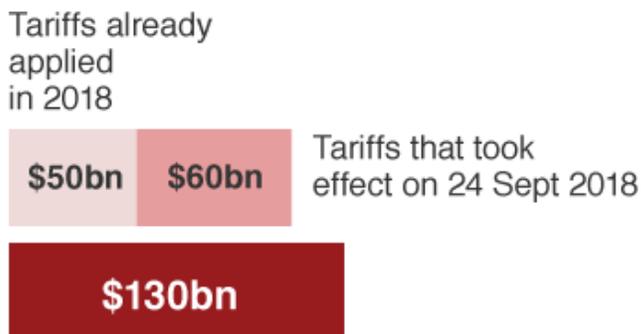
US and China's tariffs against each other

US imports from China



2017 total import of goods (most recent annual figure)

Chinese imports from US



2017 total import of goods (most recent annual figure)

Note: Data as of 24 September 2018

Source: US Census Bureau, BBC research

BBC

The duties range from 10% to 25%. Mr Trump has since threatened to hit another \$267bn worth of goods - meaning all Chinese imports could be subject to tariffs.

The US has also put tariffs on worldwide imports of goods like steel and [washing machines](#), which further affects products from China.

Beijing has struck back. It's accused the US of starting "the largest trade war in economic history" and imposed tariffs on \$110bn worth of American goods.

- [8 products hit by Trump's tariffs](#)
- [How China is fighting back in the trade war](#)

China's list of products subject to levies - which range from 5% to 25% - includes [chemicals](#), [coal and medical equipment](#). The moves have been strategic,

targeting products made in Republican districts, and goods - [like soybeans](#) - that can be purchased elsewhere.

Why tariffs?

Tariffs, in theory, make US-made products cheaper than imported ones, and encourage consumers to buy American.

What is the impact so far?

Already there are signs of economic strain.

- [The early victims of Trump's trade war](#)

Both US and international firms have said they are being harmed.

The IMF warned a full-blown trade war would [weaken the global economy](#).